

AB Kauno Energija

Company code 235014830

Raudondvario pl. 84

Kaunas, Lithuania



**CONSOLIDATED AND COMPANY'S 3-MONTH
CONDENSED SET OF INTERIM FINANCIAL
STATEMENTS OF 2025 PREPARED IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS AS ADOPTED BY THE EUROPEAN
UNION (UNAUDITED)**

**CONFIRMATION OF RESPONSIBLE PERSONS TO THE SHAREHOLDERS OF AB
KAUNO ENERGIJA AND THE BANK OF LITHUANIA**

Pursuant to the provisions of the Republic of Lithuania Law on Securities and the Information Disclosure Rules approved by the Board of the Bank of Lithuania, we, Tomas Garasimavičius, General Manager of AB Kauno energija, Virgilijus Motiejūnas, Financial director and Ramunė Petkevičienė, Head of Financial Management and Accounting Department, confirms that to our knowledge, AB Kauno energija's set of shortened interim financial statements for the 3 months of 2025, prepared in accordance with the International Financial Reporting Standards adopted for application in the European Union, corresponds to reality and correctly shows the company's assets, liabilities, financial condition, profit (loss) and cash flows.

Tomas Garasimavičius

General Manager

Virgilijus Motiejūnas

Director of Finance

Ramunė Petkevičienė

Head of Financial Management and Accounting Department

CONDENSED INTERIM FINANCIAL STATEMENTS

		Group		Company	
	Notes	2025-03-31	2024-12-31	2025-03-31	2024-12-31
ASSETS					
Fixed assets					
Intangible fixed assets	6	268	314	258	304
Land and buildings		5 970	6 039	5 894	5 963
Buildings		151 429	146 994	151 429	146 994
Machinery and equipment		16 790	17 250	16 766	17 221
Vehicles		754	804	724	773
Plant and tools		6 068	5 704	6 022	5 657
Constructions in progress and prepayments		15 188	18 210	15 090	18 117
Investment property		1 074	1 082	-	-
Total property, plant and equipment		197 273	196 083	195 925	194 725
Assets managed under the right of use		1 293	1 171	978	854
Non-current financial assets					
Investments in subsidiaries	1	-	-	2 763	2 763
Investments in Associated Companies	1	173	164	75	75
Receivables after one year		58	58	1	1
Other financial assets		-	-	-	-
Financial fixed assets, total		231	222	2 839	2 839
Non-current assets, total		199 065	197 790	200 000	198 722
Current assets					
Stock and prepayments					
Inventories	7	1 669	1 761	1 434	1 652
Prepayments		1 428	1 507	1 411	1 482
Total inventories and prepayments		3 097	3 268	2 845	3 134
Amounts receivable within one year					
Trade receivables	8	14 990	15 698	14 848	15 482
Depts of the group of companies		-	-	-	-
Other amounts receivable	9	700	860	638	817
Amounts receivable within one year, total		15 690	16 558	15 486	16 299
Term deposits		900	500		
Cash and cash equivalents	12	19 794	11 074	18 556	9 600
Current assets, total		39 481	31 400	36 887	29 033
Assets, total:		238 546	229 190	236 887	227 755

(continued on the next page)

CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

		Group		Company	
	Notes	2025-03-31	2024-12-31	2025-03-31	2024-12-31
EQUITY AND LIABILITIES					
Property					
Capital	1	74 476	74 476	74 476	74 476
Legal reserve	13	7 504	7 504	7 448	7 448
Other reserves	13	75	75	75	75
Profit (loss) available for distribution					
Current year profit	17	13 853	7 753	13 822	7 592
Profit (loss) of the previous years		23 304	15 551	22 317	14 725
Total retained profit (loss)		37 157	23 304	36 139	22 317
Total equity		119 212	105 359	118 138	104 316
Non-current amounts payable after one year and liabilities					
Long-term financial debts	10	62 658	62 658	62 658	62 658
Lease		1 349	1 172	1 023	842
Deferred profit tax liabilities		6 687	6 687	6 695	6 695
Grants and subsidies		29 464	29 858	29 461	29 854
Employee benefit liabilities		449	449	420	420
Other provisions		34	29	34	29
Accounts payable after one year, and long-term liabilities, total		100 641	100 853	100 291	100 498
Accounts payable within one year of and other liabilities					
Financial debts and leasing	10	3 218	4 094	3 215	4 090
Trade debtors		7 940	12 387	7 899	12 547
Payroll related liabilities		1 860	1 024	1 745	970
Received prepayments		948	1 076	925	1 047
Tax payable		393	1 059	363	972
Current year's share of employee benefit obligations		231	242	231	242
Other provisions		3 702	2 269	3 702	2 269
Accrued costs and income of future periods		391	684	368	661
Other short-term amounts payable and liabilities	11	10	143	10	143
Accounts payable within one year of and other liabilities, total		18 693	22 978	18 458	22 941
Total accounts payable and liabilities		119 334	123 831	118 749	123 439
Total equity and liabilities		238 546	229 190	236 887	227 755

(end)

The notes below form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF PROFIT (LOSS) AND OTHER GROSS INCOME

Group			31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year
	Comments	2025 quarter	2024 quarter	
Operating income				
Sales revenue	14	43 513	43 513	36 820
Other operational incomes	16	699	699	561
Total operating income		44 212	44 212	37 381
Operating expenses				
Fuel and purchased energy		(21 772)	(21 772)	(22 027)
Salaries, social insurance		(2 943)	(2 943)	(2 440)
Depreciation and amortisation		(2 090)	(2 090)	(1 749)
Repair and maintenance		(163)	(163)	(128)
Change in impairment of receivables		61	61	(1)
Taxes, other than income tax		(549)	(549)	(476)
Electricity		(715)	(715)	(695)
Raw materials and materials		(184)	(184)	(68)
Water		(670)	(670)	(602)
Change in realisable value of inventories and impairment of fixed assets	7	19	19	(15)
Other costs	15	(810)	(810)	(511)
Other operational expenses	16	(341)	(341)	(162)
Operating expenses, total		0 157)	(30 157)	(28 874)
Operating profit (loss)		14 055	14 055	8 507
Profit share of associates		9	9	-
Other interest and similar income		238	238	170
Impairment of financial assets and short-term investments		-	-	-
Interest and other similar costs		(449)	(449)	(426)
Income from financing and investment activities, net value		(202)	(202)	(256)
Profit before taxation		13 853	13 853	8 251
Income tax		-	-	-
Deferred income tax income (loss)		-	-	-
Profit for the reporting period		13 853	13 853	8 251
Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met				-
Gross income		13 853	13 853	8 251
Profit for the period attributable to the Company's shareholders		13 853	13 853	8 251
Gross income attributable to the Company's shareholders		13 853	13 853	8 251
Earnings per share (EUR)	17	0,32	0,32	0,19

CONDENSED INTERIM STATEMENT OF PROFIT (LOSS) AND OTHER GROSS INCOME

Company	Comment s	2025 quarter	31 March 2025 from the beginnin g of the year	2024 quarter	31 March 2024 from the beginnin g of the year
Operating income					
Sales revenue	14	43 301	43 301	36 820	36 820
Other operational incomes	16	540	540	349	349
Total operating income		43 841	43 841	37 169	37 169
Operating expenses					
Fuel and purchased energy		(21 772)	(21 772)	(22 027)	(22 027)
Salaries, social insurance		(2 751)	(2 751)	(2 310)	(2 310)
Depreciation and amortisation		(2 086)	(2 086)	(1 734)	(1 734)
Repair and maintenance		(163)	(163)	(123)	(123)
Change in impairment of receivables		78	78	1	1
Taxes, other than income tax		(549)	(549)	(471)	(471)
Electricity		(712)	(712)	(695)	(695)
Raw materials and materials		(184)	(184)	(144)	(144)
Water		(670)	(670)	(602)	(602)
Change in realisable value of inventories and impairment of fixed assets	7	19	19	(15)	(15)
Other costs	15	(754)	(754)	(539)	(539)
Other operational expenses	16	(264)	(264)	(162)	(162)
Operating expenses, total		(29 808)	(29 808)	(28 821)	(28 821)
Operating profit (loss)		14 033	14 033	8 348	8 348
Other interest and similar income		235	235	169	169
Impairment of financial assets and short-term investments		-	-	-	-
Interest and other similar costs		(446)	(446)	(426)	(426)
Income from financing and investment activities, net value		(211)	(211)	(257)	(257)
Profit before taxation		13 822	13 822	8 091	8 091
Income tax		-	-	-	-
Deferred income tax income (loss)		-	-	-	-
Profit for the reporting period		13 822	13 822	8 091	8 091
Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met		-	-	-	-
Gross income	17	13 822	13 822	8 091	8 091
Earnings per share (EUR)		0,32	0,32	0,19	0,19

The notes below form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

Group	Notes	Capital	Legal reserve	Other reserves	Profit (loss) available for distribution	Total
Balance as at 31 December 2023		74 476	7 447	50	15 633	97 606
Formed reserves		-	57	75	(132)	-
Reversed reserves		-	-	(50)	50	-
Dividends		-	-			-
Profit for the reporting period		-			7 753	7 753
Other gross income		-	-		-	-
Balance as at 31 December 2024		74 476	7 504	75	23 304	105 359
Formed reserves		-	-	-	-	-
Reversed reserves		-	-	-	-	-
Dividends		-	-			-
Profit for the reporting period		-			13 853	13 853
Other gross income		-	-		-	-
Balance as at 31 March 2025		74 476	7 504	75	37 157	119 212

Company	Notes	Capital	Legal reserve	Other reserves	Profit (loss) available for distribution	Total
Balance as at 31 December 2023		74 476	7 447	50	14 750	96 723
Formed reserves		-	1	75	(75)	1
Reversed reserves		-	-	(50)	50	-
Dividends		-	-	-	-	-
Profit for the reporting period		-	-	-	7 592	7 592
Other gross income		-	-	-	-	-
Balance as at 31 December 2024		74 476	7 448	75	22 317	104 316
Formed reserves		-	-	-	-	-
Reversed reserves		-	-	-	-	-
Dividends		-	-	-	-	-
Profit for the reporting period		-	-	-	13 822	13 822
Other gross income		-	-	-	-	-
Balance as at 31 March 2025		74 476	7 448	75	36 139	118 138

The notes below form an integral part of these financial statements.

CONDENSED INTERIM CASH FLOW STATEMENTS

	Notes	<i>Group</i>		<i>Company</i>	
		2025 quarter	2024 quarter	2025 quarter	2024 quarter
Cash flows from (to) operating activities					
Profit for the period		13 853	8 251	13 822	8 091
Depreciation and amortisation		2 607	2 256	2 587	2 241
Grants and subsidies (amortisation)		(393)	(371)	(393)	(371)
Losses (profits) on the sale and write-off of fixed assets and value of shares		(55)	1	(72)	(1)
Change in realisable value of inventories and impairment of fixed assets		(12)	(9)	(12)	(9)
Change in employee benefits liability		(19)	15	(19)	15
Changes in other non – monetary items		(11)	-	(11)	-
Change in accruals		4	-	18	
Change in provision liabilities		(293)	1	(293)	(6)
Change in accumulations		1 433	-	1 433	-
Elimination of financial and investment performance		193	256	211	257
Decrease (increase) in inventories		92	57	218	131
Decrease (increase) in prepayments		79	78	76	67
Decrease (increase) in trade receivables		708	2 141	634	1 948
Decrease (increase) in other amounts receivable		160	(2 224)	179	(2 214)
Increase (decrease) in long-term trade debts		5	-		
Increase (decrease) in trade debtors		(4 447)	(5 227)	(4 648)	(5 218)
Decrease (increase) in liabilities related to employment relations		836	430	775	394
Corporate Income Tax Paid		-			
Increase (decrease) in taxes payable		(666)	66	(609)	165
Decrease (increase) in received prepayments		(128)	(204)	(117)	(192)
Increase (decrease) in other current liabilities		(133)	(123)	(133)	(126)
Net cash flows from operating activities		13 813	5 394	13 646	5 172

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CONDENSED INTERIM CASH FLOW STATEMENTS (continued)

	Notes	Group		Company	
		2025 quarter	I 2024 quarter	2025 quarter	I 2024 quarter
Cash flows from (to) investing activities					
Acquisition of intangible fixed assets and property, plant and equipment		(3 712)	(3 423)	(3 706)	(3 417)
Sale of property, plant and equipment		8	5	8	-
Subsidy received		-	-	-	-
Interest received on overdue receivables		238	-	235	-
Acquisition of investments, change in value		(400)	-	-	-
Net (used) cash flows from investing activities		(3 866)	(3 418)	(3 464)	(3 417)
Cash flows from (to) financing activities					
Loans received		-	-	-	-
Loans repaid		(873)	(671)	(873)	(671)
Interest paid		(354)	(673)	(353)	(672)
Rent payments		-	-	-	-
Dividend paid		-	-	-	-
Net cash flows from (used in) financing activities		(1 227)	(1 344)	(1 226)	(1 343)
Net increase (decrease) in cash flows		8 720	632	8 956	412
Cash and cash equivalents at the beginning of the period		11 074	8 547	9 600	7 315
Cash and cash equivalents at the end of the period		19 794	9 179	18 556	7 727
(end)					

The notes below form an integral part of these financial statements.

NOTES TO THE CONDENSED SET OF INTERIM FINANCIAL STATEMENTS**1. General information**

AB Kauno Energija (hereinafter referred to as the Company) is a public limited liability company registered in the Republic of Lithuania. Its registered office address is Raudondvario pl. 84, Kaunas, Lithuania. Data about the Company is collected and stored in the Registry of Legal Entities.

The Company is engaged in the supply of heat and hot water, production and sale of electricity and maintenance of collector-tunnels.

maintenance of collectors-tunnels. The Company also provides heating system maintenance services. The Company was registered on 1 July 1997 following the reorganisation of AB Lietuvos Energija. The company code 235014830. The Company's shares are traded on the Baltic Additional Trading List of the Nasdaq Vilnius Stock Exchange.

As at 31 March 2025 and 31 December 2024, the Company's shareholders were:

	2025-03-31		2024-12-31	
	Number of held shares, units	Ownership (%)	Number of held shares, units	Ownership (%)
Kaunas city municipality	39.736.058	92,84	39.736.058	92,84
Kaunas district municipality	1.606.168	3,75	1.606.168	3,75
Jurbarkas district municipality	746.405	1,74	746.405	1,74
Other minor shareholders	713.512	1,67	713.512	1,67
	42.802.143	100,00	42.802.143	100,00

The Company's authorised capital is equal to EUR 74,475,728.82 and is divided into 42,802,143 ordinary shares with a nominal value of EUR 1.74 each. As at 31 March 2025 and 31 December 2024, the Company had no treasury shares. As at 31 March 2025 and 31 December 2024, all shares were fully paid up.

On 31 March 2025, the Company and its subsidiary UAB GO Energy LT form a group (the Group):

Company, registered office address	Group's shareholding	Cost investment	of Profit (loss)	Formed mandatory reserve	Equity	Main activities
UAB „GO Energy LT” Raudondvario pl. 84, Kaunas	100 percent	2 763	935	57	3 755	Innovative energy projects, consultancy, rental

The Company and the Group also own a 22 per cent stake in UAB Kauno miesto paslaugų centras. The cost of the investment is 75 thousand. Eur. The investment is accounted for using the Equity method.

The Group's average number of listed employees during the reporting period was 386 and the Company's average number of listed employees was 356.

Legal regulation

According to the Law on Heat Economy of the Republic of Lithuania, the Company's activities are licensed and regulated by the State Energy Regulatory Council (hereinafter referred to as the Council). 26 February 2004 The Council granted the Company a heat supply licence. The licence is valid for an indefinite period of time, but subject to compliance with certain conditions, it may be revoked by the relevant Council decision. The Council also sets price caps for the supply of heat. 13 September 2018 By Resolution No. O3E-283, the Council established the components of the basic heat price for the Company, which were valid until 31 March 2024. From 1 April 2024 to 31 March 2025, new heat prices calculated in accordance with the 23 February 2024 tariffs were in force. The level of heat production and supply income of AB Kauno Energija was unilaterally established by the Council resolution.

General information (continued)**Economic activities**

The Company's production capacities consist of the Petrašiūnai power plant, 5 boiler houses in Kaunas integrated network, 7 regional boiler houses in Kaunas district, 1 in Jurbarkas, 14 isolated network and 26 local (household) boiler houses in Kaunas city, as well as 8 boiler houses for water heating in Sargėnai district.

The total installed thermal capacity of the Company consists of about 520.6 MW (of which 52.9 MW – condensing economizers and 3.1 MW – absorption heat pumps), electric – 8.75 MW), of which the thermal capacity of the Petrašiūnai power plant is 169.2 MW (of which 17.8 MW – condensing economizers and 2.4 MW absorption heat pump) and 8 MW of electrical capacity. In Jurbarkas – 40.1 MW thermal (of which 4.4 MW – condensing economizers and 0.7 MW absorption heat pump). The total energy production capacity of the entire Company is about 534.7 MW (of which 52.9 MW are condensing economizers).

The Company makes investments based on an assessment of the economic situation, the competitive environment and the availability of financing. Investment plans are approved by the shareholders and coordinated by the Board.

2. Basis of preparation of the financial statements

The condensed interim financial statements of the Company and the Group for the three-month period ended 31 March 2025 are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU) and their interpretations. The standards were issued by the International Accounting Standards Board (IASB) and their interpretations were issued by the International Committee for the Interpretation of Financial Statements (IFRIC). All accounting principles for the preparation of condensed interim financial information are the same as for the preparation of the annual financial statements for the year 2024.

These financial statements are prepared on an acquisition cost basis, with the exception of financial assets and liabilities for which changes in fair value are recognised as profit or loss. Historical cost is essentially based on the fair value of the consideration paid for the asset. These financial statements have been prepared in accordance with the principle of business continuity, based on the assumption that the Company and the Group will be able to continue their activities in the near future.

The Company and the Group's management do not expect the new standards adopted from 2025 onwards. The adaptation of the amendments and clarifications in force on 1 January would have a significant impact on the Company's separate and consolidated financial statements of the Group for the period from the beginning of the year to 2025 March 31.

The Company's financial year coincides with the calendar year.

The management of the Company has approved the following interim financial statements on 15 May 2025.

3. Application of assessments in preparation of financial statements

When preparing financial statements in accordance with IFRS adopted for use in the EU, management must make calculations and estimates for assumptions that affect the application of accounting principles and for amounts related to assets and liabilities, income and expenses. The calculations and the assumptions associated with them are based on historical experience and other factors that are consistent with the current conditions and on the basis of the results of which a conclusion is drawn about the residual values of assets and liabilities that cannot be inferred from other sources. Actual results may differ from estimates. The calculations and related assumptions are constantly reviewed. Adjustments to the calculations are recognized as promising.

The main forward-looking assumptions and other material sources of valuation uncertainty at the date of the interim statements on the financial position that entail material risk and may require a material adjustment to the balance sheet amounts of assets or liabilities in the following financial year shall be the same as those described in the last set of separate and consolidated annual financial statements.

4. Definition of lease

Until 1 January 2019 the Group and the Company determined at the time of signing the agreement whether the agreement meets the definition of lease in accordance with IFRIC 4 "Determining Whether an Arrangement Contains a Lease". From 1 January 2019, when an agreement is concluded, the determining whether an arrangement contains a lease or includes a lease is based on the new definition. Under IFRS 16, A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

In evaluating or re-evaluating an agreement that contains a lease component, the Group and the Company allocate the contractual consideration provided for in the agreement to each of the parts of the agreement that have and do not have a lease component on the basis of their relative stand-alone prices. However, in the case of leases of immovable property where the Group and the Company are lessees, the Group and the Company have chosen not to separate the lease-free

components and instead to account for the lease-free and lease-containing components together as a single lease component.

The Group and the Company, as tenant, have previously classified the lease as an operating or finance lease based on an assessment of whether the lease agreement essentially provides for the transfer of all risks and rewards of ownership. The Group and the Company recognise right-of-use assets and lease liabilities in lease agreements in accordance with the provisions of IFRS 16. These leases are shown in the balance sheet.

The Group and the Company depict the assets under the right of use in the article on the assets under the right of use

Recognised lease liabilities in the financial statement are presented in the items of leasing (financial lease) and long-term financial debts and leasing (financial lease) for the current year.

5. Measurement of fair value

At initial recognition, the transaction price of an acquired asset or a liability assumed in an exchange transaction entered into for a particular asset or liability is the price paid at the time the asset is acquired or the liability is assumed (the acquisition price). In comparison, the fair value of the asset or liability is the price that would be obtained from the sale of the asset or paid for the disposal of the liability (the sale/transfer price).

If the Company initially measures an asset or liability at fair value and the transaction price differs from fair value, the difference is recognised as a gain or loss unless otherwise specified in the IFRSs.

The fair value measurement is based on the assumption that a transaction for the sale of an asset or the disposal of a liability will be carried out either:

- in the underlying market for the asset or liability, or
- in absence of a principal market, the most favourable market for the asset or liability in question.

Where observable variables that are directly observable by the Company are not available at the measurement date, i.e. prices quoted (not adjusted) in active markets for identical assets or liabilities, fair value is determined by reference to adjusted observable variables that are directly observable. Adjusted variables are:

- prices quoted for similar assets or liabilities in active markets;
- prices quoted for identical or similar assets or liabilities in markets that are not active markets;
- variables other than quoted prices observed for a specific asset or liability;
- market-confirmed variables.

Where observable variables are not available (directly or indirectly), fair value shall be determined by reference to unobservable variables that the Group and the Company produce using valuation techniques.

The fair value measurement of a non-financial asset shall take into account the ability of the market participant to generate economic benefits by using the specific asset to its maximum and best value or by selling it to another market participant that will use it to its maximum and best value.

The fair value of liability reflects the impact of inactivity risk. Inactivity risk includes, but is not limited to, the entity's own credit risk. When determining the fair value of a liability, an entity shall assess the effects of its credit risk (financial position) and other factors that may affect the likelihood that the liability will or will not be met.

Measurement of fair value (continued)

The Group and the Company must increase the use of relevant observable variables and reduce the use of unobservable variables in order to achieve the objective of fair value measurement by calculating the price at which a liability or equity instrument would be transferred under a legally orderly transaction between market participants at the valuation date in accordance with prevailing market conditions.

Assets and liabilities that are measured at fair value in the statement of financial position, or for which fair value is not determinable but for which disclosures are made, are classified by the Group and the Company in accordance with the fair value hierarchy, which categorises variables into three levels depending on their availability:

- Level 1 variables are quoted (unadjusted) prices for identical assets or liabilities in an active market that are available to the Company at the date of valuation;
- Level 2 variables are variables, other than quoted prices which are classified as Level 1, that are observable directly or indirectly for a specific asset or liability;
- Level 3 variables are unobserved variables applied to a specific asset or liability.

When the variables used to measure the fair value of an asset or liability may be classified in different levels of the fair value hierarchy, the entire fair value measurement result is classified in the same level of the fair value hierarchy as the lowest level variable that is significant to the entire measurement.

6. Property, plant and equipment

During the 3 months of 2025, the acquisitions of fixed tangible assets of the Group and the Company amounted to EUR 3,711 thousand. and 3,706 thousand. The residual value of the sold-written off fixed tangible assets amounted to EUR 15 thousand. and 15 thousand. Euro. The cost price of the acquired property includes all costs related to the construction, purchase and materials of the property.

The depreciation costs of real estate, equipment and equipment of the Group and the Company during the 3 months of 2025 amount to EUR 2,545 thousand, respectively. and EUR 2,530 thousand. Euro. The amounts of depreciation costs of the Group and the Company were included in the operating expenses in the Profit and Loss and Other Comprehensive Income Statements, as well as in other expense lines. Part of the depreciation costs - 393 thousand. (both groups and companies) were covered by the amounts of grants received.

After assessing the internal and external characteristics, the management of the Group and the Company did not identify a significant additional decrease in value for real estate, equipment and equipment during the 3 months of 2025.

Part of the Group's real estate, equipment and equipment, the acquisition value of which was equal to EUR 34,172 thousand as of 31 March 2025, respectively. (31 December 2024 – EUR 33,987 thousand), Companies – EUR 34,172 thousand. was fully depreciated (33,987 thousand euros as of 31 December 2024), but is still used in activities.

As of 31 March 2025 and 31 December 2024 the majority of the unfinished construction of the Group and the Company consists of reconstruction and overhaul works of boiler plants and heat supply networks.

As of 31 March 2025, the real estate, equipment and equipment with a residual value equal to EUR 5,486 thousand (EUR 5,628 thousand on 31 December 2024) and EUR 5,486 thousand (EUR 5,628 thousand on 31 December 2024) were pledged to the Ministry of Finance of the Republic of Lithuania as loan collateral.

7. Inventories

	Group		Company	
	2025-03-31	2024-12-31	2025-03-31	2024-12-31
Technological fuel	1 021	1 268	1 021	1 268
Spare parts	463	435	463	435
Material	315	329	312	329
Items for resale	231	109		
	2 030	2 141	1 795	2 032
To be deducted: write-down to net realisable value at the end of the period	(361)	(380)	(361)	(380)
Carrying amount of inventories	1 669	1 761	1 434	1 652

The depreciation of the Group's and the Company's inventories to the net potential realisable value as of 31 March 2025 amounted to EUR 361 thousand. (31 December 2024 – 380 thousand euros). Change in the depreciation of inventories to the net potential realisable value in 2025 and 2024 The Group's and the Company's Profit (Loss) and Other Comprehensive Income are included in the item Cost of Change in the Disposal Value of Inventory.

8. Amounts receivable from buyers

	Group		Company	
	2025-03-31	2024-12-31	2025-03-31	2024-12-31
Trade receivables	19 589	20 409	19 408	20 193
To be deducted: expected credit losses	(4 599)	(4 711)	(4 560)	(4 711)
	14 990	15 698	14 848	15 482

Change in the impairment of doubtful receivables on 31 March 2025 and 31 December 2024 In the statements of Profit (Loss) and Other Comprehensive Income of the Group and the Company, it is included in the item Cost of change in the impairment of receivables. The impairment of doubtful receivables is measured on the basis of the expected credit loss.

The amounts receivable from the Group and the Company from buyers are interest-free and usually have a payment term of 30 days or individually agreed.

9. Other receivables

	Group		Company	
	2025-03-31	2024-12-31	2025-03-31	2024-12-31
Refundable taxes	66	137	1	88
Other receivables	798	808	801	814
To be deducted: expected credit losses	(164)	(85)	(164)	(85)
	700	860	638	817

As of 31 March 2025 and 31 December 2024 other receivables of the Group and the Company consisted of taxes receivable from the state, receivables for sold stocks (scrap metal, heating system equipment), and services provided (collector maintenance services, etc.).

The Group's and the Company's other receivables are interest-free and usually have a payment term of 30 – 45 days.

Outstanding receivables are not counted as there is no impairment as management considers that there is no indication that the debtors will not be able to meet their obligations.

Credit risk

The Group and the Company do not experience a significant concentration of credit risk, as they work with a large number of buyers.

10. Financial debts

All loans of the Group and the Company are accounted for and repaid in euro. The weighted average (percentage) of the interest rate on outstanding loans at 31 March 2025 and 31 December 2024 was as follows:

	Group		Company	
	2025-03-31	2024-12-31	2025-03-31	2024-12-31
Long-term	3,3	3,61	3,30	3,61

Repayment terms of long-term loans:

	Group		Company	
	2025-03-31	2024-12-31	2025-03-31	2024-12-31
Long-term financial debts (loans):	62 658	62 658	62 658	62 658
Payable between 2 and 5 years	21 368	21 368	21 368	21 368
Payable after 5 years	41 290	41 290	41 290	41 290
Current portion of long-term loans	3 205	4 078	3 205	4 078
	65 863	66 736	65 863	66 736

31 March 2025 In the statement of financial position, in the item on long-term financial debts, the Group and the Company accounted for the amounts of Financial loans to be repaid after 1 year and not paid thereafter.

Interest payable to financial institutions, which amounts to EUR 195 and EUR 195 thousand, respectively. The Group and the Company account for the part of the Accrued Cost Balance Sheet;

Details of the Group's and Company's loans as at 31 March 2025:

Credit institution	Date of contract	Amount, thousands EUR	Maturity	Balance as at 2025-03-31 in thousands EUR	To be repaid in 2025, thousand EUR
1 EIB***	2020-08-07	15 000	2035-08-24	10 500	750
2 EIB***	2020-08-07	12 000	2036-08-18	10 415	679
3 EIB***	2020-08-07	14 000	2037-08-22	13 208	792
4 EIB***	2020-08-07	14 000	2038-09-29	14 000	528
5 EIB***	2024-10-30	12 000	2039-10-31	12 000	-
6 LR Finansų m.*	2010-10-26	807	2034-03-15	346	-
7 LR Finansų m.*	2010-04-09	2 410	2034-03-15	842	-
8 LR Finansų m.*	2014-01-15	793	2034-12-01	416	42
9 LR Finansų m.*	2014-03-31	7 881	2034-12-01	4 136	414
				65 863	3 205

* Ministry of Finance of the Republic of Lithuania; ** European Investment Bank.

The EIB has determined that the Company is required to comply with the ratio of net financial debt to EBITDA set for the half-year, which shall not exceed 4.75. According to the loan agreements, the Company's equity ratio (total equity/assets) must be at least 35 %. On 31 March 2025 The company fulfilled the established indicators.

Loan agreements provide for certain restrictions. The Company may not grant dividends, issue and/or receive new loans, provide support, sell or lease pledged assets without the written consent of the banks.

11. Other provisions

On 31 December 2023, the company formed a provision of EUR 1,573 thousand. to cover the differences in the actual costs of electricity, purchased heat, fuel and production, i.e. to cover future price reduction obligations. On 30 June 2024, the company additionally formed a provision of EUR 696 thousand. to cover the same differences.

During the first quarter of 2025, the provisions also accounted for the expenses incurred during the first quarter. However, invoices from the Suppliers for these expenses have not yet been received (purchased thermal energy, balancing heat, etc.). The total amount of such provisions amounted to EUR 1,433 thousand. Euro. The total provision formed on 31 March 2025 amounted to EUR 3,702 thousand. Euro.

12. Cash and cash equivalents

	Group		Company	
	2025-03-31	2024-12-31	2025-03-31	2024-12-31
Cash on the road	502	330	502	330
Cash in the bank	19 292	10 744	18 054	9 270
	19 794	11 074	18 556	9 600

13. Changes in equity

Statutory reserve and other reserves

The statutory reserve is required under the legislation of the Republic of Lithuania. At least 5% of net profits, calculated in accordance with International Financial Reporting Standards, must be transferred to the reserve annually until it reaches 10% of the authorised capital. The statutory reserve may not be distributed as dividends but can be used to cover future losses. In the company, the capital is formed in full, the group is formed.

14. Sales income

The Group and the Company are engaged in the supply of thermal energy, maintenance of building heating and hot water supply systems, electricity generation, and other activities. These activities are closely interlinked and, for management purposes, the Group and the Company are considered to be organised in a single segment – the supply of thermal energy.

The Group's and the Company's activities are seasonal, with the majority of revenue generated during the heating season, which starts in October and ends in April.

Sales revenues by the Group and the Company activities are presented below:

	Group		Company	
	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year
Heat supply	40 530	34 893	40 530	34 893
Hot water supply	2 471	1 683	2 471	1 683
Maintenance of hot water metering devices	423	155	211	155
Maintenance of collectors	87	87	87	87
Maintenance of heating and hot water systems in buildings	2	2	2	2
Other income	-	-	-	-
Sale of tradable emission allowances	-	-	-	-
	43 513	36 820	43 301	36 820

Sales revenues by consumer groups of the Group and the Company are presented below:

	Group		Company	
	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year
Residents	30 976	26 388	30 976	26 388
Other users	5 720	4 578	5 508	4 578
Budgetary organisations financed from the state budget	3 261	2 809	3 261	2 809
Budgetary organisations financed from municipal budgets	2 062	1 802	2 062	1 802
Institutions financed by territorial sickness funds	1 212	988	1 212	988
Industrial users	283	255	283	255
	43 513	36 820	43 301	36 820

15. Other costs

Other costs include:

	Group		Company	
	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year
Equipment inspection and testing	94	37	94	37
Maintenance of collectors	91	90	91	90
Ash recovery costs	45	35	45	35
Information Technologies costs	54	37	54	37
Consulting Services	68	30	65	30
Employee-related costs	30	18	30	18
Invoicing costs	27	27	27	27
Membership fee	10	29	10	29
Maintenance of fixed assets and related services	38	33	38	33
Transport costs	33	26	33	26
Debt collection costs	26	28	26	28
Insurance	31	27	28	27
Communication costs	14	15	13	15
Costs for advertising	13	6	13	6
Rental of equipment and machinery	38	12	34	12
Other costs	198	61	153	89
	810	511	754	539

16. Other operating income and expense

Income from other activities includes:

	Group		Company	
	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year
Other operating income				
Sold stock	172	201	149	184
Various services provided	343	273	207	78
Compensation received	0	-	0	-
Revenue from previous periods	-	-	-	-
Profit from the sale of fixed assets	1	1	1	1
Kita	183	86	183	86
	699	561	540	349

Other operating costs include:

	Group		Company	
	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year
Other operating costs				
Cost of various services provided	(43)	(42)	(80)	(42)
Sold stock	(228)	(58)	(109)	(58)
Costs for previous periods	(63)	(19)	(63)	(19)
Sale, write-off of fixed assets	-	(1)	-	(1)
Kita	(7)	(42)	(12)	(42)
	(341)	(162)	(264)	(162)

The Group and the Company lease real estate, supply technical water, and perform maintenance of heating equipment.

17. Basic and diluted earnings per share

The Group's basic and diluted earnings per share calculations are presented below:

	Group		Company	
	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year	31 March 2025 from the beginning of the year	31 March 2024 from the beginning of the year
Profit for the reporting period	13 853	8 251	13 822	8 091
Number of shares (thousands), beginning of period	42 802	42 802	42 802	42 802
Number of shares (thousands), end of period	42 802	42 802	42 802	42 802
Weighted average number of ordinary shares in issue (thousands)	42 802	42 802	42 802	42 802
Basic and diluted earnings per share (EUR)	0,32	0,19	0,32	0,19

18. Commitments and contingencies not included in the balance sheet

On 26.02.2024, AB "Kauno energija" filed a complaint with the Regional Administrative Court regarding the validity of the NERC resolutions No. O3E-141 "On the determination of the level of heat production and/or supply income of AB "Kauno energija" for the first year of validity of the basic level of heat production and/or supply income":

Essence of the case: AB "Kauno energija" (the Petitioner) disputes the rulings of the State Energy Regulatory Authority (NERC) (Defendant) by court procedure: Resolution No. O3E-84 of 26.01.2024, Resolution No. O3E-141 of 09.02.2024 and Resolution No. O3E-213 of 23.02.2024.

Complaint amount: EUR 2,587.50 thousand.

Stage of the case: 2024-02-26 The Applicant has filed a complaint with the Regional Administrative Court regarding the rulings of the NERC. In the first instance, the court did not satisfy the complaint of AB "Kauno energija". On 05.01.2025, AB "Kauno energija" filed an appeal with the court. The case in the appellate instance has not yet been examined.

The dispute does not affect the financial statements, as the rates that are actually applied by the Company are disputed.

19. Related party transactions

2025 In the first quarter and 2024. I quarter. The Group and the Company did not have significant transactions with other companies controlled by Kaunas City Municipality, except for the purchase or provision of utilities. Transactions with Kaunas City Municipality and companies controlled by Kaunas City Municipality were carried out at market prices.

Q1 2025 and in the first quarter of 2024. at the end of the period, the transactions of the Group and the Company with Kaunas City Municipality and the companies financed and controlled by Kaunas City Municipality and their debts and liabilities at the end of the periods were as follows:

Kaunas City Municipality, its financed and fully managed companies	Purchases	Sales	Receivables	Payables
3 months of 2025	763	2 141	1 047	540
3 months of 2024	652	3 498	1 243	467

Sales include the amounts of housing heating costs, cold water and sewage costs and hot water compensation for deprived residents.

The procurements include the procurement of services of the Municipal Enterprises for the needs of the Company.

On 31 March 2025 and 31 March 2024 The Company's transactions with subsidiaries and balance sheet balances at the end of the period were:

UAB "GO Energy LT"	Purchases	Sales	Receivables	Payables
3 months of 2025	201	108	27	186
3 months of 2024	652	57	18	369

UAB "GO Energy LT" provides real estate services, together with the parent company, participates in energy development projects of unregulated activities, builds and maintains water metering devices, provides cooling services.

20. Management's salary and other benefits

On 31 March 2025 the management of the Group and the Company consists of persons 2 and 1 (2 and 1 as of 31 December 2024) respectively. On 31 March 2025 and 31 March 2024 the Board of the Company consists of 3 members and the Supervisory Board consists of 3 members.

	Group		Company	
	2025 m. 3 months.	2024 3 months.	2025 m. 3 months.	2024 3 months.
Salary calculated for management	42	32	26	30
Compensation for employee benefits calculated for management	-	-	-	-

During the 3 months of 2025 and 3 months of 2024, no loans, guarantees, no other amounts paid or accrued or transferred assets were granted to the Management of the Group and the Company.

21. Events after the date of the balance sheet

There have been no other events after the reporting date that could have a material effect on the financial statements or that should be disclosed in the financial statements.